CALIFORNIA WILDFIRES: TALKING POINTS

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Issue Overview

California experienced one of its most devastating wildfire seasons on record in 2025, with 7,439 fires burning over 522,000 acres and destroying more than 16,000 structures. Major incidents like the Palisades Fire in Los Angeles County and the Eaton Fire in Altadena caused extensive property damage, estimated at $150 billion with $40 billion in insured losses. It also displaced over 200,000 residents and resulted in at least 31 confirmed deaths, with indirect fatalities likely much higher.

The fires were fueled by severe drought, low humidity, and hurricane-force Santa Ana winds, highlighting the growing risks of extreme weather. Beyond immediate destruction, the wildfires underscored long-term economic, social, and environmental impacts, emphasizing the urgent need for comprehensive fire prevention and resilience strategies in California's fire-prone regions.

Core Messaging:

- Insurance is and will continue to be the financial first responder for Californians impacted by wildfires.
- Insurers provide additional living expenses to cover temporary housing; this is standard in home, condo, and renters policies.
- Check with your insurer regarding full contents recovery payment; some offer more than 30% of Coverage A without an inventory and can assist with documentation.
- After major disasters, insurers typically issue an initial payment within days for immediate needs while the full claim is processed.
- Insurers have managed their risk responsibly and need to remain profitable to pay claims of existing customers.
- Risk-based pricing supports adequate rates and a competitive market; California is the nation's largest insurance market.
- The California Department of Insurance's Sustainable Insurance Strategy (SIS), implemented in 2025, will modernize Proposition 103, streamline rate filing approvals, and stabilize the state's insurance market.
- Some insurers have already committed to writing more property insurance policies, with broader participation expected in 2025/26.

- Wildfire mitigation is a key component of SIS, helping individuals and communities make homes and businesses more resilient.

Supporting Details / Facts

- Average California homeowners insurance premium in 2021; $1,403 below the national average despite high climate risk.
- Over 37% of California homeowners purchased $500,000+ coverage in 2021, compared with 10% in Florida.
- Historical HO 00 03 premium projections for California and the U.S. show steady growth over the past decade.
    - In California, premiums increased from $980 in 2012 to $1,403 in 2021, with projected growth to $1,750 in 2024.
    - For the U.S. overall, premiums rose from $1,034 in 2012 to $1,411 in 2021, with projections reaching $1,800 by 2024.
    - Year-over-year, California premiums experienced modest fluctuations, including a slight dip in 2013 ($966) and gradual increases each subsequent year, reflecting both market adjustments and the state’s evolving risk landscape relative to the national average.
- Rebuilding in Southern California requires focus on community resilience and defensible construction.
- Wildfire mitigation actions include: creating defensible spaces, using fire-resistant materials, and participating in community programs.
- See Wildfire Prepared Home for mitigation designation information.
- Insurers leverage drone imagery, satellite data, AI, and mobile apps to rapidly assess damage and expedite claims, especially in hard-to-access areas.
- California wildfire losses do not impact insurance markets in other states.
- The California FAIR Plan (insurer of last resort) can assist policyholders and pay claims.
- Insurers must provide 75 days’ written notice before nonrenewal; failure to do so keeps the policy in effect for an additional 75 days.

- Homeowners who have been non-renewed by their insurer can obtain coverage via the California FAIR Plan (the insurer of last resort), standard insurers, or excess and surplus lines carriers.
- Most homeowners maintain insurance due to mortgage requirements; the national take-up rate is 90%.
- Once a mortgage is paid off, homeowners insurance remains crucial for financial protection; recovery from catastrophes is difficult without adequate coverage.

Triple-I Response to NY Times (11/01/2025) and LA Times (11/06/2025) articles:

1. The regulations that make up the Sustainable Insurance Strategy (SIS) were open to public scrutiny for more than a year in an open and transparent process as required by law. To learn more visit *insurance.ca.gov*: https://www.insurance.ca.gov/01-consumers/180-climate-change/Sustainable-Insurance-Strategy.cfm

2. The SIS has recently been implemented and five insurance companies submitted rate filings to the California Department of Insurance, committing to stay and grow in CA. More will follow allowing stabilization of the insurance market in California, growth and availability.

3. Science based mitigation standards are included in the SIS allowing insurers to work with homeowners and communities to become resilient to devastating wildfires. Many partners are involved in these efforts and a designation is available at www.wildfireprepared.org.

4. To date, insurance companies have paid more than $20 billion on more than 41,800 claims, with 92% of claims fully paid or underway. Source: LA County Wildfire Claims Tracker, https://www.insurance.ca.gov/01-consumers/180-climate-change/Wildfire-Claims-Tracker.cfm Insurers remain committed to paying claims and supporting customers throughout the recovery.

5. The intervenor process for rate filings is under review with the California Department of Insurance to make it efficient and fair. The average time for a rate filing to be reviewed is 60 days in other states and it takes 300 days on average in California.

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